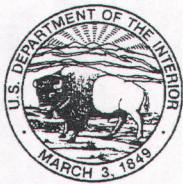


8104510083



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

West Desert District Office
2370 South Decker Lake Blvd.
West Valley City, Utah 84119
ph: (801) 977-4300; Fax: (801) 977-4397
www.ut.blm.gov/saltlake_fo



In Reply Refer To:
3809 (UTW011)
UTU-89021

JUN 11 2015

RECEIVED

JUN 22 2015

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL NO. - 7011 1150 0001 4372 2032
RETURN RECEIPT REQUESTED

Gary Horwitch
Utah Minerals Recovery, LLC
13618 Fawcett
Houston, TX 77069

Dear Mr. Horwitch:

A site visit was conducted by the Bureau of Land Management (BLM) Salt Lake Field Office (SLFO) personnel on May 14, 2015 at the Utah Minerals Recovery (UMR) Knolls Magnesium Chloride project site serialized UTU-89021 (UDOGM permit S/045/0083) in Tooele County, Utah.

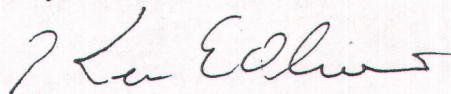
BLM personnel observed debris, trash, and inoperable equipment at numerous locations throughout the project area including old tires, piping, plastic liner material, large styrofoam blocks, pallets, and sandbags. BLM also observed two aboveground fuel storage tanks at the site. One is an approximate 500-gallon tank within a spill containment basin that appears to be in a deteriorated condition. It is unlikely that the basin would contain the contents of the tank in the event of a spill. There is also an approximate 100-gallon truck-mounted external fuel tank sitting on a stack of pallets with no spill containment.

In addition, a 1998 Ford Explorer was observed to be mired and abandoned in the mud immediately north of the North Pond. Wally Gwynn, in a May 16, 2015 email stated that the vehicle belonged to a former employee of UMR. An unauthorized motorhome is still present at the site. BLM has informed UMR personnel and representatives on several occasions that the motorhome was never part of the approved Plan of Operations and is therefore considered to be an unauthorized occupancy. James Kohler and Wally Gwynn stated in the March 27, 2015 meeting with the BLM that they would make arrangements for it to be removed from the site.

A May 15, 2015 email from Wally Gwynn outlined UMR's plan for getting the site in order and removing the vehicle and motorhome. BLM would like to see substantial progress on these issues before we finalize our review of your Plan of Operations Modification. If these items are not addressed in within 30 days of the receipt of this letter, your project may be placed in a noncompliance status.

If you have any questions, or require additional information, please contact Stephen Allen at (801) 977-4360.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin E. Oliver". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kevin E. Oliver
District Manager

cc: UDOGM
Leslie Heppler
1594 West No. Temple, Ste. 1210#
Box 145801
SLC, UT 84114-5801